The Letsatsi Borutho Trust

(Registration number: IT2219/2011)

Financial Statements
for the year ended 28 February 2019

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(Registration number: IT2219/2011)

Financial Statements for the year ended 28 February 2019

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The reports and statements set out below comprise the financial statements presented to the trustee:

Trustee's Responsibilities and Approvals

The trustees are responsible for the maintenance of adequate accounting records and the preparation, integrity and fair presentation of the financial statements of the Trust. The financial statements have been prepared in accordance with International Financial Reporting Standards and include amounts based on judgements and estimates by management.

The trustees considered that in preparing the financial statements they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all International Reporting Standards that they consider to be applicable have been followed. The Trustees are satisfied that the information contained in the financial statements fairly presents the results of operations for the year and the financial position of the Trust at year end. The trustees also prepared the other information included in the trustees report and is responsible for its accuracy and its consistency with the financial statements.

The going concern basis has been adopted in preparing the financial statements. The trustees have no reason to believe that the Trust will not be a going concern in the foreseeable future based on forecasts and available cash resources. These financial statements support the viability of the trust.

The financial statements have been audited by the Independent Auditors, Ernst & Young Inc., who were given unrestricted access to all financial records and related data, including minutes of all meetings of the board of trustees. The trustees believe that all representations made to the independent auditors during their audit are valid and appropriate.

The audit report of Ernst & Young Inc. is presented on page 4 to 5.

The financial statements set out on pages 7 to 16 were approved by the trustee on 24 JUNE 2019 and are signed on its behalf by:

Trustee

Trustee

Cape Town

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3 Dock Road
V&A Waterfront
PO Box 656
Cape Town 8000

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Co. Reg. No. 2005/002308/21

Independent Auditor's Report to the Trustees of The Letsatsi Borutho Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Letsatsi Borutho Trust ('the trust') set out on pages 7 to 16, which comprise the statement of financial position as at 28 February 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Letsatsi Borutho Trust as at 28 February 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the trust in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements of the trust and in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits of the trust and in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the 16-page document titled "The Letsatsi Borutho Trust Annual Financial Statements for the year ended 28 February 2019", which includes the Trustees' Report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustees for Financial Statements

The trustees are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young Inc.

Ernst & Young Inc.
Partner: Abdul Majid Cader
Registered Auditor
Chartered Accountant (SA)
Cape Town
24 June 2019

The Letsatsi Borutho Trust

(Registration number: IT2219/2011)
Financial Statements for the year ended 28 February 2019

Trustee's Report

The trustee's submit their report on the activities of the Trust for the year ended 28 February 2019.

Country of incorporation

The Trust is incorporated in South Africa.

Nature of business

The principal object of the Trust is to carry on public benefit activities within a 50 kilometre radius of the Droogfontein Solar Project by providing funds and resources to other organisations which are engaged in land reform, enterprise development, energy, education and healthcare activities. The Trust has an effective ownership of 8% of Droogfontein Solar Power (RF) (Pty) Ltd which is the entity that owns the Droogfontein Solar Project. The Trust's holding in the solar project is through a wholly-owned special purpose entity called Droogfontein Renewable Energy Company (RF) (Pty) Ltd.

Financial Results

The results of the Trust are clearly set out in the accompanying financial statements.

Trustee and secretary

The trustees of the Trust during the financial period and at the date of this report are as follows:

NA Gabriel (Chairman)
MT Green-Thompson
H Mkungo (resigned February 2019)
OP Swartz
FM Langa
HT Radebe

Trust secretarial work is performed by Kilgetty Statutory Services (Pty) Ltd.

Registered Office

Business address
5th Floor, Unit 5a
Sunclare Building
21 Dreyer Street
Claremont
7708
South Africa

Postal address
Postnet Suite 205
Private Bag X1005
Claremont
7735
South Africa

Going concern

The financial statements have been prepared on the going concern basis, since the trustees have every reason to believe that the Trust has adequate resources in place to continue in operation for the foreseeable future.

Audited financial statements

The financial statements have been audited in terms of clause 38 of the Trust Deed.

Events after reporting date

The trustee is not aware of any matter or circumstance arising since the end of the financial period, not otherwise dealt with in the financial statements, which significantly affects the financial position of the Trust or the results of its operations.

Preparation of the financial statements

These financial statements have been audited by our external auditor Ernst & Young Inc. in compliance with the applicable requirements of the Trust Deed. They were prepared by Rafiq Ebraheim, CA (SA).

The Letsatsi Borutho Trust

(Registration number: IT2219/2011)

Financial Statements for the year ended 28 February 2019

Statement of Financial Position as at 28 February 2019

	Notes	R 2019	R 2018
Assets			
Non - Current Assets			
Investment in Droogfontein Solar Power (RF) (Pty) Ltd	5	61 204 646	56 579 421
		61 204 646	**56 579 421**
Current Assets			
Other receivables	6	100	100
Cash and cash equivalent	7	1 849 984	236 749
		1 850 084	**236 849**
Total Assets		**63 054 730**	**56 816 270**
Capital and reserves			
Trust capital	8	100	100
Fair value reserve	9	61 203 646	56 578 421
Accumulated surplus / (deficit)		1 757 207	(1 182 422)
		62 960 953	**55 396 099**
Current Liabilities			
Loan from investee company	10	-	576 000
Trade and other payables	11	93 777	844 171
		93 777	**1 420 171**
Total Liabilities		**93 777**	**1 420 171**
Total Reserves and Liabilities		63 054 730	56 816 270

The Letsatsi Borutho Trust

(Registration number: IT2219/2011)
Financial Statements for the year ended 28 February 2019

Statement of Comprehensive Surplus for the year ended 28 February 2019

	Notes	R 2019	R 2018
Dividend Received	12	4 075 000	0
Operating costs	13	(847 632)	(307 911)
Grant funding	14	(290 300)	-
Operating surplus / (deficit) for the year		**2 937 068**	**(307 911)**
Net financing costs		2 561	4 499
Surplus / (deficit) before taxation		**2 939 629**	**(303 412)**
Taxation	15	-	-
Surplus / (deficit) for the year		**2 939 629**	**(303 412)**
Other comprehensive surplus:			
Items that may be reclassified subsequently to surplus or deficit:			
Change in fair value of Investment		4 625 225	1 736 005
Income tax relating to items that may be reclassified		-	-
Other comprehensive surplus for the year		**4 625 225**	**1 736 005**
Total comprehensive surplus for the year		**7 564 854**	**1 432 593**
Total comprehensive surplus attributable to the trust		**7 564 854**	**1 432 593**

The Letsatsi Borutho Trust

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Financial Statements for the year ended 28 February 2019

Statement of Changes in Reserves for the period ended 28 February 2019

	Trust Capital R	Fair value reserve R	Accumulated Reserves R	Total R
Balance at 1 March 2017	**100**	**54 842 416**	**(879 010)**	**53 963 506**
Other comprehensive surplus	-	1 736 005	-	1 736 005
Deficit for the year	-		(303 412)	(303 412)
Balance at 28 February 2018	**100**	**56 578 421**	**(1 182 422)**	**55 396 099**
Other comprehensive surplus	-	4 625 225	-	4 625 225
Surplus for the year	-	-	2 939 629	2 939 629
Balance at 28 February 2019	**100**	**61 203 646**	**1 757 207**	**62 960 953**
Note(s)	8	9		

Statement of Cash Flows for the year ended 28 February 2019

	Notes	R 2019	R 2018
Cash flows from operating activities			
Cash generated by operations	16	2 186 675	(15 029)
Interest received		2 561	4 499
Net cash inflow / (outflow) from operating activities		**2 189 235**	**(10 530)**
Cash flows from financing activities			
Repayment of Loan from Investee		(576 000)	-
Net cash outflow from financing activities		**(576 000)**	**-**
Net increase / (decrease) in cash and cash equivalents for the year		1 613 235	(10 530)
Cash and cash equivalents at the beginning of the year		236 749	247 279
Cash and cash equivalents at the end of the year	7	**1 849 984**	**236 749**

Accounting Policies

1. Accounting policies

The annual financial statements have been prepared in accordance with International Financial Reporting Standards. The annual financial statements have been prepared on the historical cost and incorporate the following principal accounting policies which have been consistently applied in all material respects. They are presented in South African Rands.

1.1 Basis of preparation

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards. The principal accounting policies adopted are set out below.

1.2 Financial instruments

The Trust classifies financial assets and financial liabilities into the following categories:
- Financial assets at fair value through profit or loss
- Financial assets at fair value through other comprehensive income
- Loans and receivables
- Financial liabilities at fair value through profit or loss
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

No other reclassifications may be made into or out of the fair value through profit or loss category.

Initial recognition

Financial instruments are recognised initially when the Trust becomes party to the contractual provisions of the instruments. The Trust classifies financial instruments, or their component parts, on initial recognition as a financial asset, as financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Initially financial assets and liabilities are measured at fair value (including transaction costs for assets and liabilities not measured at fair value through profit or loss). Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

For financial instruments which are not at fair value through profit or loss, the transaction costs are included in the initial measurement of the instrument. Transaction costs on the financial instruments at fair value through profit or loss are recognised in profit or loss.

Subsequent measurement

Financial assets at fair value through profit and loss are designated at fair value through the profit and loss by management at inception. Derivatives are also classified as held-for-trading in this category unless they are designated as hedges.

Loans and receivables are non-derivative financial assets with fixed or determinable payments, originated or acquired, that are not quoted in an active market, not held for trading, and not designated on initial recognition as assets at fair value through profit or loss or as available-for-sale. Loans and receivables for which the holder may not recover substantially all of its initial investment other than because of credit deterioration should be classified as available-for-sale. Loans and receivables are measured at amortised cost using the effective interest method.

Financial liabilities include trade and other payables as well as long-term interest bearing loans. These are all measured at amortised cost, using the effective interest rate method.

Amortised cost is calculated using the effective interest method with the effective interest rate being the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or liability.

Accounting Policies (continued)

1.3 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.4 Taxation

Current tax assets and liabilities

Current tax for the current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

Deferred tax liabilities are recognised for all taxable temporary differences, except to the extent that the deferred tax liability arise from initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible taxable temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- A transaction or event which is recognised in the same or a different period to other comprehensive income, or
- A business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are charged or credited, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

Accounting Policies (continued)

2. Adoption of new and revised standards

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards. The principal accounting policies adopted are set out below.

Standards and interpretations effective in the current period

Category	Standard	Name	Effective Date	Description
New	IFRS 9	Financial Instruments	01-Jan-18	IFRS 9 introduces new classification and measurement bases, a new impairment model and revised guidance on hedge accounting. Based on the new classification and measurement requirements, debt instruments are subsequently measured at fair value through profit or loss (FVTPL), amortised cost, or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held. Equity instruments are generally measured at FVTPL, FVOCI can be irrevocably elected. Equity instruments' gains and losses through other comprehensive income is never reclassified to profit and loss. The impairment requirements are based on an expected credit loss (ECL) model that replaces the IAS 39 incurred loss model. The ECL model applies to debt instruments accounted for at amortised cost or at FVOCI, most loan commitments, financial guarantee contracts, contract assets under IFRS 15 Revenue from Contracts with Customers and lease receivables under IAS 17 Leases or IFRS 16 Leases.

Standards and Interpretations not yet effective

Category	Standard	Name	Effective Date	Description
Amendment	IAS 1	Presentation of Financial Statemetns	01-Jan-20	Disclosure Initiative: The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.
Amendment	IAS12	Income Taxes	01-Jan-19	Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12): Narrow-scope amendment to clarify the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value. Annual Improvements 2015 - 2017 Cycle: Clarification that all income tax consequences of dividends should be recognised in profit or loss, regardless how the tax arises.

The Trust has identified the accounting policies that are most significant to its operations and the understanding of its results.

3. Use of estimates and judgements in the preparation of annual financial statements

In the preparation of the annual financial statements, management is required to make estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates, which may be material to the financial statements within the next financial period.

No significant judgements have been made by management that could have a significant effect on the amounts recognised in the financial statements.

Notes to the Annual Financial Statements

	R 2019	R 2018

4 DEFERRED TAXATION

Deferred tax asset

A deferred tax asset has not been recognised on accumulated tax losses amounting to R2 317 793 at the end of February 2019 (2018: R1 182 422). This position will be reviewed going forward as future taxable profits become more probable for accumulated tax losses to be utilised against.

Deferred Tax liability
A deferred tax liability has not been recognised as the investment is held in a 100% owned subsidiary.
The temporary difference is therefore exempt.

5 INVESTMENT IN DROOGFONTEIN SOLAR POWER (RF) (PTY) LTD

Investment in Droogfontein Solar Power (RF) (Pty) Ltd

	2019	2018
Opening balance	56 579 421	54 843 416
Fair value changes recognised in other comprehensive income	4 625 225	1 736 005
	61 204 646	56 579 421

The Trust has an effective ownership of 4% of Droogfontein Solar Power (RF) (Pty) Ltd which is the operating entity that owns the Droogfontein Solar Project. The Trust's holding in the solar project is through a wholly-owned special purpose entity called Droogfontein Renewable Energy Company (RF) (Pty) Ltd.

The investment in the operating entity is carried at fair value through other comprehensive income. The Trustees have no intention to sell the Investment. Furthermore, the sale of the Investment is prohibited in terms of the Trust Deed. The fair value model is measured on an annual basis according to a discounted cashflow method on the P50 model, which has a remaining period of 15 years at a weighted average cost of capital of 12%.

6 OTHER RECEIVABLES

	2019	2018
Other receivables	100	100
	100	100

The other receivable amount is made up of amounts due from Droogfontein Solar Power (RF) (Pty) Ltd. This was for an irrevocable donation as defined by the Trust Deed.

7 CASH AND CASH EQUIVALENT

	2019	2018
Cash at bank	1 849 984	236 749
	1 849 984	236 749

All cash and cash equivalent balances, as recorded, approximate fair value.

8 CAPITAL CONTRIBUTION

	2019	2018
Trust Capital	100	100
	100	100

A contribution to Trust capital was made by Droogfontein Solar Power (RF) (Pty) Ltd.

9 FAIR VALUE RESERVE

	2019	2018
Opening balance	56 578 421	54 842 416
Fair value changes recognised in other comprehensive income	4 625 225	1 736 005
	61 203 646	56 578 421

The reserve is a result of changes in fair value of the investment which is measured on an annual basis according to the discounted cashflow method.

10 LOAN FROM INVESTEE COMPANY

Loans at amortised cost

	2019	2018
Droogfontein Renewable Energy Company (RF) (Pty) Ltd	-	576 000
	-	576 000

The loan is unsecured, interest-free, non-redeemable and restricted to the purchase of shares in Droogfontein Renewable Energy Company (RF) (Pty) Ltd with no fixed terms for repayment.

11 TRADE AND OTHER PAYABLES

	2019	2018
Other payables	75 777	801 111
Accrued expenses	18 000	43 060
	93 777	844 171

Notes to the Annual Financial Statements (continued)

	R 2019	R 2018

12 DIVIDENDS RECEIVED

Income for the Trust is in the form of Dividends received from the Droogfontein Renewable Energy Company (Rf) (Pty) Ltd.

13 OPERATING COSTS

	R 2019	R 2018
Operating costs include the following:		
Audit fees	10 294	1 364
Legal fees	8 892	3 040
Management Fees	64 723	60 000
Consultant Fees	518 383	203 613
Travel and Accomodation	97 448	15 052

14 GRANT FUNDING

Grant funding is classified as donations, which are distributed to approved beneficiaries. Beneficiaries need to meet the relevant criteria in order to be approved for funding.

15 TAXATION

	R 2019	R 2018
South African normal taxation		
Deferred tax credit	-	-

The Trust is a registered Public Benefit Organisation (PBO) for tax purposes. This status provides for the exemption from normal tax of certain receipts and accruals.
Refer to note 4 for details of why the Trust has not recognised any deferred tax amounts per the Statement of Comprehensive Income.

Reconciliation of the rate of taxation
Reconciliation between applicable tax rate and average effective tax rate:

	R 2019	R 2018
South African normal tax rate	45.00%	45.00%
Unrecognised deferred tax on accumulated losses	-45.00%	-45.00%
Effective income tax rate	0.00%	0.00%

16 CASH GENERATED BY OPERATIONS

	R 2019	R 2018
Comprehensive surplus / (deficit) before taxation	2 939 629	(303 412)
Adjustments for:		
Net Financing costs	(2 561)	(4 499)
Changes in working capital:		
(Decrease) / Increase in trade and other payables	(750 393)	292 882
	2 186 675	(15 029)

17 RELATED PARTIES

Related party relationships

Principal donor	Droogfontein Solar Power (RF) (Pty) Ltd
Investee company	Droogfontein Renewable Energy Company (RF) (Pty) Ltd

Related party balances	R 2019	R 2018
Other receivable - Principal Donor	100	100
Loan payable - Investee company	-	576 000

Notes to the Annual Financial Statements (continued)

18 FINANCIAL INSTRUMENTS

Capital risk

The Trust manages its capital to ensure that the entity will be able to continue as a going concern. The capital structure of the Trust consists of equity attributable to the Trust, comprising a donation to Trust capital and retained earnings as disclosed in the statement of changes in equity.

Credit risk management

Potential concentrations of credit risk consist mainly of investments and intercompany loans. At the end of the period the trustee did not consider there to be any significant concentration of credit risk which had not been adequately provided for.

Foreign exchange risk management

The trust does not incur any expenses or receive any income in a foreign currency. There are no foreign currency balances at the period end.

Fair value of financial instruments

The carrying amounts of the financial assets and liabilities reported in the statement of financial position approximate fair value at the end of the period.

Interest rate risk management

As the Trust has no significant interest-bearing assets, the Trust's income and operating cash flows are substantially independent of changes in the market interest rates.

Liquidity risk management

The Trust manages liquidity risk through ongoing review of future commitments and credit facilities.

2019	Interest rate %	Year 1 R	Year 2-5 R	Over 5 years R	Total R
Assets					
Other receivables	Interest Free	100	-	-	100
		100	**-**	**-**	**100**
Liabilities					
Trade and other payables	Interest Free	93 777	-	-	93 777
		93 777	**-**	**-**	**93 777**

2018	Interest rate %	Year 1 R	Year 2-5 R	Over 5 years R	Total R
Assets					
Other receivables	Interest Free	100	-	-	100
		100	**-**	**-**	**100**
Liabilities					
Loan from Investee	Interest Free	576 000	-	-	576 000
Trade and other payables	Interest Free	844 171	-	-	844 171
		1 420 171	**-**	**-**	**1 420 171**

19 TRUSTEE EMOULMENTS

	R 2019	R 2018
NA Gabriel (Chairman)	36 000	36 000
H Mkhungo	36 000	36 000
MT Green-Thompson	36 000	-
OP Swartz	36 000	36 000
FM Langa	36 000	36 000
HT Radebe	-	-

20 SUBSEQUENT EVENTS

There were no significant events after the reporting date, being 28 February 2019, to the date of approval of the financial statements.

21 GOING CONCERN

The financial statements have been prepared on the going concern basis, since the trustees have every reason to believe that the Trust has adequate resources in place to continue in operation for the foreseeable future.